



UNITED STATES DISTRICT COURT FOR THE
SOUTHERN DISTRICT OF WEST VIRGINIA

UNITED STATES OF AMERICA

v.

Criminal No. 2:20-00028
18 U.S.C. § 1341

STANLEY CLARK

I N F O R M A T I O N
(Mail Fraud)

The United States Attorney charges:

1. Between January 1, 2013 and October 1, 2015, defendant STANLEY CLARK knowingly devised and intended to devise a scheme to defraud, and to obtain money and property by means of materially false and fraudulent pretenses and representations from, Company A, a major auto manufacturer. As part of that scheme, defendant CLARK knowingly caused to be deposited a matter or thing to be sent or delivered by a private or commercial interstate carrier.

Introduction

2. Defendant CLARK and others known to the United States Attorney took advantage of a Company A Customer Support Program in which Company A agreed to repurchase certain B-Model Truck that suffered excessive rust damage at 150% of their value, so long as those trucks were owned by individuals, rather than dealerships.

3. Defendant CLARK participated in a fraudulent scheme to buy hundreds of B-Model Trucks at wholesale auction prices, obtain

false titles for the trucks in the names of unwitting individuals, and then fraudulently induce Company A to repurchase the trucks at 150% of their value.

Background

The Company A Customer Support Program

4. In 2008, Company A determined that certain B-Model trucks suffered from excessive frame rust. In response, Company A began a Customer Support Program to repurchase or repair those B-Model Trucks. This program lasted from March 2008 until December 31, 2015.

5. Under the Customer Support Program, Company A dealerships would inspect B-Model Truck frames for excessive rust and, if a truck failed, Company A would repurchase it.

6. If an individual customer owned the B-Model Truck, Company A repurchased it at 150% of the Kelley Blue Book Suggested Retail Value of an "excellent" condition truck, regardless of its actual condition. In contrast, if a dealership owned the B-Model Truck, Company A would only reimburse the dealer's actual cost of purchasing the truck.

7. Company A provided dealers detailed instructions about the Program, which included a requirement that B-Model Truck repurchases from individual customers must occur at a Company A dealership with the customer present.

8. Company A hired Impartial Services Group ("ISG") to administer the Customer Support Program. ISG created a website to track inspections and repurchases, and sent ISG agents to work with individual customers and dealers to facilitate repurchase transactions.

The Defendant and Other Participants in the Fraudulent Scheme

9. Defendant STANLEY CLARK was an Impartial Services Group ("ISG") transfer agent who administered repurchase transactions at Dealership WV, a Company A dealership in St. Albans, West Virginia. His responsibilities included communicating with individual owners and the dealership, and attending repurchase transactions at the dealership with customers.

10. Dealership KY was a Kentucky corporation operating in Louisa, Kentucky. Dealership KY was a car and truck dealership that purchased automobiles at wholesale and sold them to retail consumers.

11. JP was the owner and sole member of Dealership KY.

12. GC was the Sales Manager at Dealership KY.

13. TN was an employee of Dealership KY who was responsible for performing administrative tasks at JP's direction.

14. FR was the service manager at Dealership WV, a Company A dealership located in St. Albans, West Virginia, in the Southern District of West Virginia. Among other things, his job

responsibilities included inspecting B-Model Trucks for the Company A Customer Support Plan.

15. KF was a notary public. As part of his notary public duties, he was responsible for notarizing the signatures of individual customers who sold their B-Model Trucks to Company A under the Program.

Manner and Means for Carrying Out the Scheme

16. Defendant STANLEY CLARK — along with JP, GC, TN, Dealership KY, FR, and KF — devised and engaged in the scheme to defraud Company A. The general steps in the scheme included:

- a) Dealership KY bought hundreds of B-Model Trucks at wholesale.
- b) JP, FR, GC, or others working on their behalf obtained copies of unwitting individuals' driver's licenses.
- c) TN, acting on behalf of JP, fraudulently titled Dealership KY's B-Model Trucks using the unwitting individuals' driver's licenses to make it appear as if these individuals owned the B-Model Trucks, rather than Dealership KY. These individuals were "false owners" because they did not actually purchase or possess the B-Model Trucks.

- d) JP, or others working on his behalf, transported the B-Model Trucks from Dealership KY to Dealership WV.
- e) At Dealership WV, FR sent false information about the trucks and the false owners to ISG via interstate wire, inducing ISG to send Customer Offer Letters to Dealership WV via interstate wire. FR falsely completed these Offer Letters, and then returned them to ISG via interstate wire.
- f) FR induced ISG to mail repurchase checks payable to the false owners, and final repurchase documentation for signature by the false owners, from Irving, Texas to defendant CLARK in Poca, West Virginia via United Parcel Service, a private, commercial interstate carrier.
- g) JP or TN, FR, and defendant CLARK met at Dealership WV. At this meeting, defendant CLARK provided JP or TN with the repurchase checks. In turn, JP or TN paid FR and defendant CLARK cash for their role in facilitating the scheme.
- h) Defendant CLARK provided the repurchase documentation to KF, who forged the false owners' signatures on the final repurchase documentation

in order to induce Company A to repurchase the B-Model Truck at 150% of Kelley Blue Book Value.

- i) Defendant CLARK mailed the forged final repurchase documentation from St. Albans, West Virginia to Irving, Texas, via United Parcel Service, a private, commercial interstate carrier.
- j) TN forged the false owners' signatures on the repurchase checks and deposited the checks into Dealership KY's bank account.

17. The scheme participants relied on defendant CLARK to coordinate fraudulent B-Model Truck repurchase meetings, work with KF to forge the false owners' signature on B-Model Truck repurchase documentation, and mail the fraudulent repurchase documentation that induced Company A to repurchase B-Model Trucks. Defendant CLARK could reasonably foresee, and in fact knew, that the scheme used interstate wires and mailings to communicate false and fraudulent documents and statements in furtherance of the fraud.

18. Through their scheme to defraud, defendant CLARK and the other scheme participants fraudulently induced Company A to repurchase at least 349 B-Model Trucks, which resulted in Company A paying approximately \$4,327,789 and causing losses to Company A of up to that same amount. These 349 B-Model Trucks included

trucks with the following VINs: 4TAWN72N7YZ676350, 4TAWN72N6YZ630718, and 4TAWM72N6YZ663091.

The Criminal Charge - Mail Fraud

19. On or about April 8, 2015, at or near St. Albans, Kanawha County, West Virginia in the Southern District of West Virginia, and elsewhere, defendant STANLEY CLARK, aided and abetted by persons known and unknown to the United States Attorney, having devised and intending to devise the above-described scheme to defraud Company A, and for the purpose of executing the scheme to defraud and attempting so to do, knowingly caused to be deposited a matter or thing to be sent and delivered by a commercial interstate carrier, that is, repurchase documentation associated with B-Model Truck VIN 4TAWN72N6YZ630718, to be sent and delivered by the United Parcel Service.

In violation of Title 18, United States Code, Section 1341.

MICHAEL B. STUART
United States Attorney

By:



ANDREW J. TESSMAN
Assistant United States Attorney